



**Sean Rogan**  
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION**  
**of the County of Los Angeles**

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Commissioners

# ADOPTED

Community Development Commission

March 15, 2011

#1-D MARCH 15, 2011

The Honorable Board of Commissioners  
Community Development Commission of the  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

*Sachi A. Hamai*  
**SACHI A. HAMAI**  
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE LOAN AGREEMENT WITH JANET L. WITKIN CENTER, LLC AND RELATED  
ENVIRONMENTAL DOCUMENTATION TO DEVELOP SEVENTEEN UNITS OF AFFORDABLE  
AND SPECIAL NEEDS HOUSING FOR SENIORS IN THE CITY OF WEST HOLLYWOOD  
(DISTRICT 3) (3 VOTE)**

**SUBJECT**

This letter recommends that your Board approve the allocation of HOME Investment Partnership Program (HOME) funds for the Janet L. Witkin Center, a mixed-population senior development to be located at 937 N. Fairfax Boulevard in the City of West Hollywood.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Community Development Commission has considered the attached Notice of Exemption for the Janet L. Witkin Center project, which was prepared by the City of West Hollywood as lead agency; and find that this project will not cause a significant impact on the environment.
2. Approve a loan to Janet L. Witkin Center, LLC (Developer) using HOME funds in a total amount of up to \$2,055,565 for the development of a 17-unit senior housing development (Project) which has been selected through a Notice of Funding Availability (NOFA) issued by the Community Development Commission on October 5, 2010.
3. Authorize the Executive Director or his designee to use up to an additional \$411,113 in HOME funds, as needed, for unforeseen project costs.
4. Authorize the Executive Director or his designee to negotiate, execute and if required, terminate a

Loan Agreement with the Developer and to execute all related documents, including but not limited to documents to subordinate the loan to permitted construction and permanent financing and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the Project, following approval as to form by County Counsel.

5. Authorize the Executive Director or his designee to execute amendments to the Loan Agreement and any related documents, as may be necessary for the implementation and administration of the Project, following approval as to form by County Counsel.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to approve the allocation of HOME Funds for the Project, which will provide 17 units of senior housing, including six units which will be reserved for seniors with mental illness, and to approve environmental documentation.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund.

The recommended loan will provide up to \$2,055,565 to construct the Project. A 20% contingency, in the amount of \$411,113, is also being set aside for unforeseen site condition costs and construction overruns. A 20% contingency is recommended to prevent any delays in construction.

There are sufficient funds included in the Commission's approved Fiscal Year 2010-2011 budget for the expenses related to this project.

The final loan amount will be determined following completion of negotiations with the Developer and arrangements with other involved lenders. The loan will be evidenced by a promissory note and secured by a deed of trust, with the term of affordability enforced by a recorded Covenants, Conditions and Restrictions document.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

HOME funds received from the U.S. Department of Housing and Urban Development are administered by the Commission on behalf of the County of Los Angeles and are used for affordable housing located in unincorporated areas and 46 participating cities.

On October 5, 2010, a NOFA was issued by the Commission, making available approximately \$9,600,000 in HOME funds for the development of affordable rental housing. Three requests for HOME funds were received by the November 16, 2010 deadline.

Proposals submitted for the NOFA were reviewed by technical consultants and an Independent Review Panel. Applicants were notified of the scoring results and given seven days to appeal individual scores for procedural or technical errors.

The Project has met threshold criteria and only proposals scoring a minimum of 70% of the total points for each of the following categories, (1) Development Feasibility, (2) Supportive Services Plan and Budget and (3) design, and a minimum of 70% of the total overall points, were considered for an award. The Janet L. Witkin Center was the only proposed project to meet these minimum point requirements.

A new NOFA, which makes available the unreserved HOME funds, was issued on February 17, 2011. The new NOFA will help ensure the increased participation of affordable housing developers in unincorporated areas and participating cities.

The current funding recommendation will provide HOME funds to the Developer through a Loan Agreement with the Commission, to be executed by the Executive Director, following completion of negotiations and approval as to form by County Counsel. The Loan Agreement will incorporate affordability restrictions and provisions requiring the Developer to comply with all applicable federal, state, and local laws.

The Project will consist of 17 one-bedroom units. Ten of these units will be affordable to low-income seniors earning no more than 50% of the median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development (Area Median Income). Six units will be reserved for seniors with mental illness and will be affordable to households earning no more than 30% of the Area Median Income. One unit will be provided for the on-site manager. Affordability requirements will remain in effect for 55 years. The development will also include a community room, recreation room, and social service office.

### **ENVIRONMENTAL DOCUMENTATION**

The Janet L. Witkin Center project was determined Categorically Exempt from the requirements of CEQA by the City of West Hollywood in accordance with State CEQA Guidelines Section 15332. The Commission's consideration of this determination satisfies the requirements of CEQA.

An Environmental Assessment (EA) was prepared for the Janet L. Witkin Center project pursuant to the requirements of the National Environmental Policy Act (NEPA). This document describes the proposed project, evaluates the potential environmental effects, and describes the mitigation measures necessary to avoid potentially significant environmental effects from the project. Based on the conclusions and findings of the EA, a Finding of No Significant Impact will be approved by the Certifying Official of the Community Development Commission. Following the required public and agency comment period, the U.S. Department of Housing and Urban Development (HUD) will issue a Release of Funds for this project. NEPA review and clearance will be completed prior to execution of the HOME Loan Agreement.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The requested actions will increase the supply of affordable housing for low-income and special needs seniors in the County of Los Angeles.

The Honorable Board of Supervisors  
3/15/2011  
Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN  
Executive Director

SR:kk

Enclosures

**ATTACHMENT A**  
**FUNDING DEMAND AND ALLOCATION**

**Non-Special Needs Housing Developments**

<b>TYPE</b>	<b>HOME DEMAND</b>	<b>ALLOCATION</b>
Mixed-population	\$2,055,565 1 Application	\$2,055,565 1 Development
<b>TOTAL</b>	<b>\$2,055,565</b> <b>1 Application</b>	<b>\$2,055,565</b> <b>1 Development</b>

**Special Needs Housing Developments**

<b>TYPE</b>	<b>HOME DEMAND</b>	<b>ALLOCATION</b>
Transition Age Youth	\$3,083,026 1 Application	None
Homeless veterans	\$3,100,000 1 Application	None
<b>TOTAL</b>	<b>\$6,183,026</b> <b>2 Applications</b>	<b>None</b>

**Notice of Exemption***Appendix E*

To: ☐ Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

From: (Public Agency) City of West Hollywood  
8300 Santa Monica Blvd., West Hollywood, CA 90069  
(Address)

☒ County Clerk  
County of Los Angeles

Project Title: Janet L. Witkin Center

Project Location - Specific: 937 Fairfax Avenue, West Hollywood, CA 90069

Project Location - City: West Hollywood Project Location - County: Los Angeles

**Description of Nature, Purpose, and Beneficiaries of Project:**

Five-story mixed-use building with seventeen (17) units of affordable housing for low- and very low-income Seniors, and 130 square feet of office use on ground floor.

Name of Public Agency Approving Project: City of West Hollywood

Name of Person or Agency Carrying Out Project: Alternative Living for the Aging

**Exempt Status:** (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☒ Categorical Exemption. State type and section number: In-fill Development Section 15332  
☐ Statutory Exemptions. State code number:

Reasons why project is exempt: Project is located within the City limits on a site of less than five acres. Project complies with all local regulation and will not result in a significant effect on air or water quality, endangered habitat, or traffic or noise in the vicinity, and can be served by existing utilities and public services. See Reso No. PC 10-946.

Lead Agency Contact Person: Jennifer Alkire Area Code/Telephone/Extension: (323) 848-6487

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature:  Date: 11/15/2010 Title: Associate Planner

☒ Signed by Lead Agency

Date received for filing at OPR:

☐ Signed by Applicant

*Revised October 1989*